



INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED

(A Govt. of India Enterprise)

8th FLOOR, HINDUSTAN TIMES BUILDING, 18&20, K.G. MARG, NEW DELHI - 110 001

Standalone Audited Financial Results for the Year ended 31st March 2012

(` in Lac)

S.No.	Particulars	6 months ended	6 months ended	As on	As on
		31/03/2012 (Audited)	31/03/2011 (Audited)	31/03/2012 (Audited)	31/03/2011 (Audited)
1	Interest earned (a) + (b) + (c) + (d)	132,978.54	97,604.56	252,631.93	187,805.17
(a)	Interest / discount on advances / bills	90,254.30	63,011.14	170,150.72	118,165.30
(b)	Income on Investments	972.82	2,781.92	4,078.08	13,122.93
(c)	Interest on FDRs with Banks	41,751.42	31,811.50	78,403.13	56,516.94
(d)	Others	-	-	-	-
2	Other Income (a) + (b)	996.59	6,844.05	1,827.71	7,382.47
(a)	Operating Income	822.95	6,330.34	1,410.75	6,769.47
(b)	Non-operating Income	173.64	513.71	416.96	613.00
3	Total Income (1+2)	133,975.13	104,448.61	254,459.64	195,187.64
4	Interest Expended	76,917.65	72,158.97	152,353.47	141,178.98
5	Guarantee Fee to Govt. of India	2,428.19	2,318.77	4,845.86	4,638.59
6	Commitment Charges, Upfront & Management	81.48	67.27	175.48	184.97
7	Bond Issue and Servicing Expenses	104.21	669.12	134.85	709.94
8	Operating Expenses (i) + (ii) + (iii)	2,025.09	1,082.58	4,228.70	2,637.26
(i)	Employees cost	476.44	276.45	902.20	442.32
(ii)	Foreign Exchange Fluctuation	302.48	(152.69)	1,262.39	610.24
(iii)	Other Operating Expenses (a) + (b) + (c)	1,246.17	958.82	2,064.11	1,584.70
(a)	Lease Rent	423.84	325.30	840.38	651.68
(b)	Establishment and other Expenses	802.00	621.80	1,187.75	907.80
(c)	Depreciation	20.33	11.72	35.98	25.22
9	Total Expenditure (4+5+6+7+8) excluding provisions and contingencies	81,556.62	76,296.71	161,738.36	149,349.74
10	Operating Profit before Provisions and Contingencies (3-9)	52,418.51	28,151.90	92,721.28	45,837.90
11	Provisions (other than tax) and Contingencies	34.96	345.63	1,455.70	1,269.60
12	Exceptional Items	4,666.60	-	4,666.60	-
13	Profit (+)/Loss (-) from Ordinary Activities before Tax (10-11+12)	47,716.95	27,806.27	86,598.98	44,568.30
14	Tax Expense	15,367.47	9,428.79	28,016.22	14,988.35
15	Net Profit (+)/Loss(-) from Ordinary Activities after tax (13-14)	32,349.48	18,377.48	58,582.76	29,579.95
16	Extraordinary items (net of tax expense)	-	-	-	-
17	Net Profit (+)/ Loss (-) for the period (15-16)	32,349.48	18,377.48	58,582.76	29,579.95
18 (a)	Paid up equity share capital (Face Value of ` 10 each) (wholly owned by Govt. of India)	250,000.00	200,000.00	250,000.00	200,000.00
(b)	Share Application Money	-	-	-	-
19	Reserves excluding Revaluation Reserves (as per Balance Sheet of previous accounting year)	116,807.86	58,225.10	116,807.86	58,225.10
20	Analytical Ratios				
(i)	Capital Adequacy Ratio	N.A.	N.A.	N.A.	N.A.
(ii)	Earning Per Share (EPS) (Not Annualised)	1.52	0.92	2.84	1.53
21	NPA Ratios				
(a)	Gross/Net NPA	-	-	-	-
(b)	% of Gross/Net NPA	-	-	-	-
(c)	Return on Assets (Annualised)	2.48%	1.59%	2.25%	1.31%
(d)	Debt Service Coverage Ratio	1.76	1.44	1.55	1.30
(e)	Interest Service Coverage Ratio	1.79	1.46	1.57	1.32

Notes

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the company in its Meeting held on 23.04.2012 and have been audited by the Statutory Auditors of the company.

2. Information on Investor's complaints pursuant to Listing Agreement for the year ended 31st March 2012:

	Opening Balance	Additions	Disposals	Closing Balance
No. of complaints	0	3,672	3,672	0

3. Auditors observations on accounts for the year ended 31st March 2012 which has an impact on Profit & loss account is as under:-

As per the announcement issued by The Institute of Chartered Accountants of India (ICAI) regarding 'Accounting for Derivatives' the company is required to provide for losses in respect of all outstanding derivatives contracts at the balance sheet date by marking them to market except in respect of forward contracts which are to be accounted for in accordance with the provisions of AS-11, 'The Effects of changes in Foreign Exchange Rates'.

In our opinion, the company has not provided for such mark to market losses, amount not ascertained, on certain outstanding derivative contracts, i.e. Interest Rate Swaps.

Management explanation to the above is as under:-

The company has undertaken composite contracts i.e. Interest Rate Swap cum forward exchange contracts to hedge risks relating to floating interest rates as well as foreign exchange fluctuations on foreign currency borrowings of ` 3,71,459.02 lacs as on 31st March 2012. As per the Mark-to-Market (M2M) valuations furnished by the counter party banks and other valuer on the above composite contracts, the net M2M gain as on 31st March 2012 amounts to ` 37,926.83 lacs (Gross gain ` 38,082.87 lacs less gross loss of ` 156.04 lacs) and M2M gain as on 31st March 2011 amounts to ` 398.26 lacs (i.e. gross gain ` 6,286.00 lacs less gross loss ` 5888.34 lacs). The M2M losses on Interest Rate Swaps (IRS) is not being accounted for in the books of accounts as the underlying liability designated with swap is also not carried at lower of cost or market value in the financial statements and the M2M loss relating only to IRS cannot be computed separately and provided for as required by the announcement of ICAI on 'Accounting for Derivatives' as the company had entered into composite contracts for hedging and the interest payable to counter-parties also includes amount of premium, if any, which has not been mentioned/ identified separately in the composite contracts.

5. The Company's main business is to provide finance for Infrastructure Projects and the company does not have more than one reportable segment in terms of Accounting Standard No. 17 issued by the Institute of Chartered Accountants of India.

6. Return on Assets has been calculated by dividing Profit after Tax by Average Assets (Average Assets is simple average of Opening & Closing Balance of Total Assets)

7. Previous period's figures have been regrouped/reclassified wherever necessary.

Date : 23.04.2012

S.K. Goel

Place : New Delhi

Chairman and Managing Director